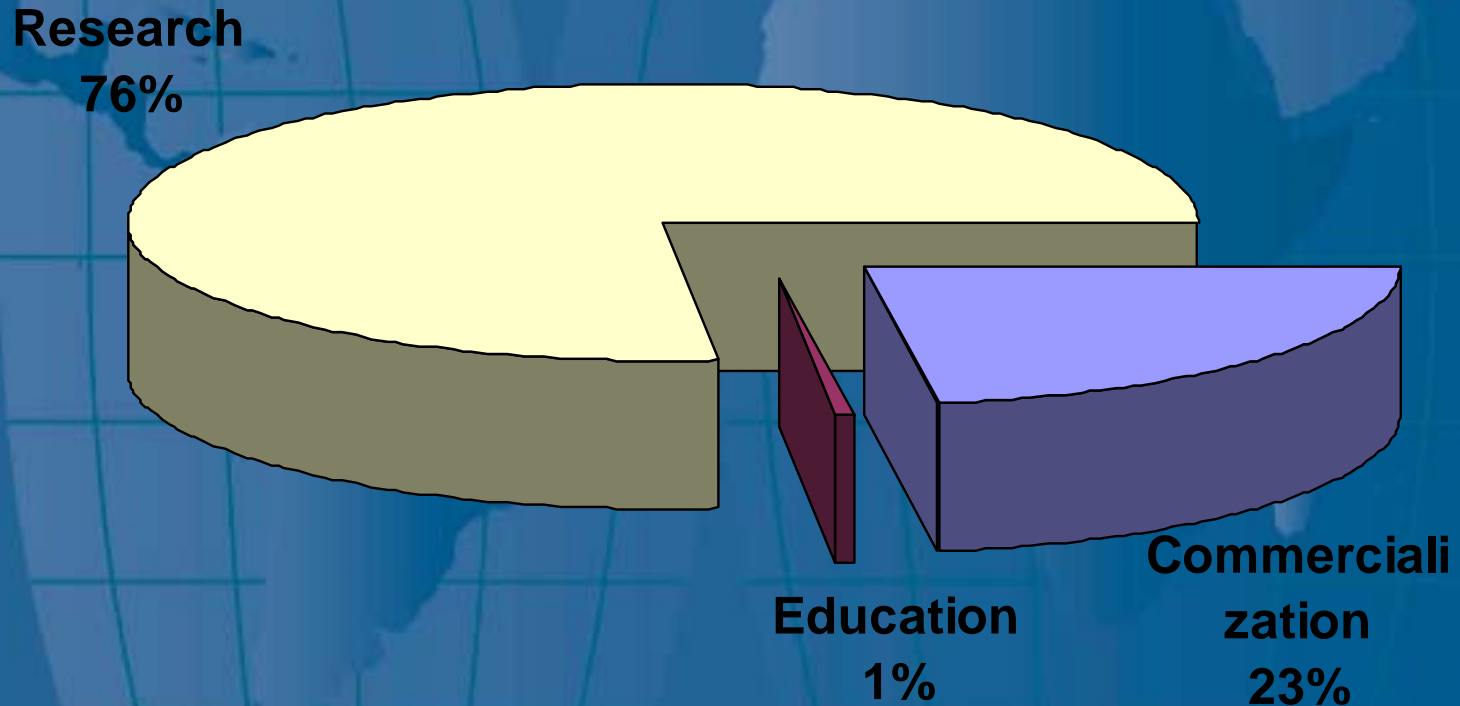


Evaluation of Maine's R&D Investments

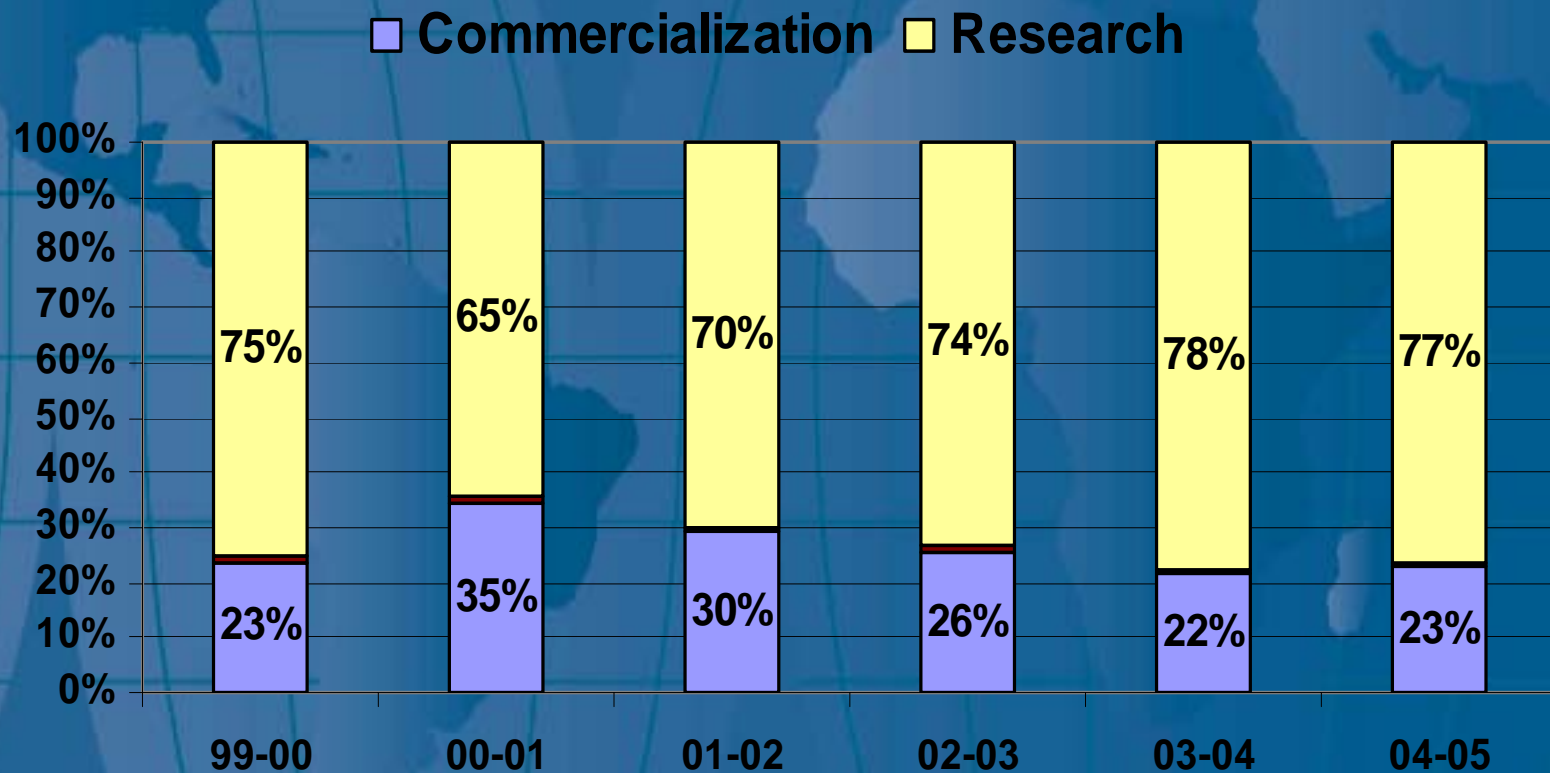
UNC Center for Competitive Economies **5 year process measuring performance of Maine's R&D programs**

- Surveys of research institutions and assisted companies
- Case studies of R&D programs
- Comparative innovation indexes

How Maine's Invested in R&D \$204 Million - 1999-2005



Maine R&D Annual Investment: 1999-2005

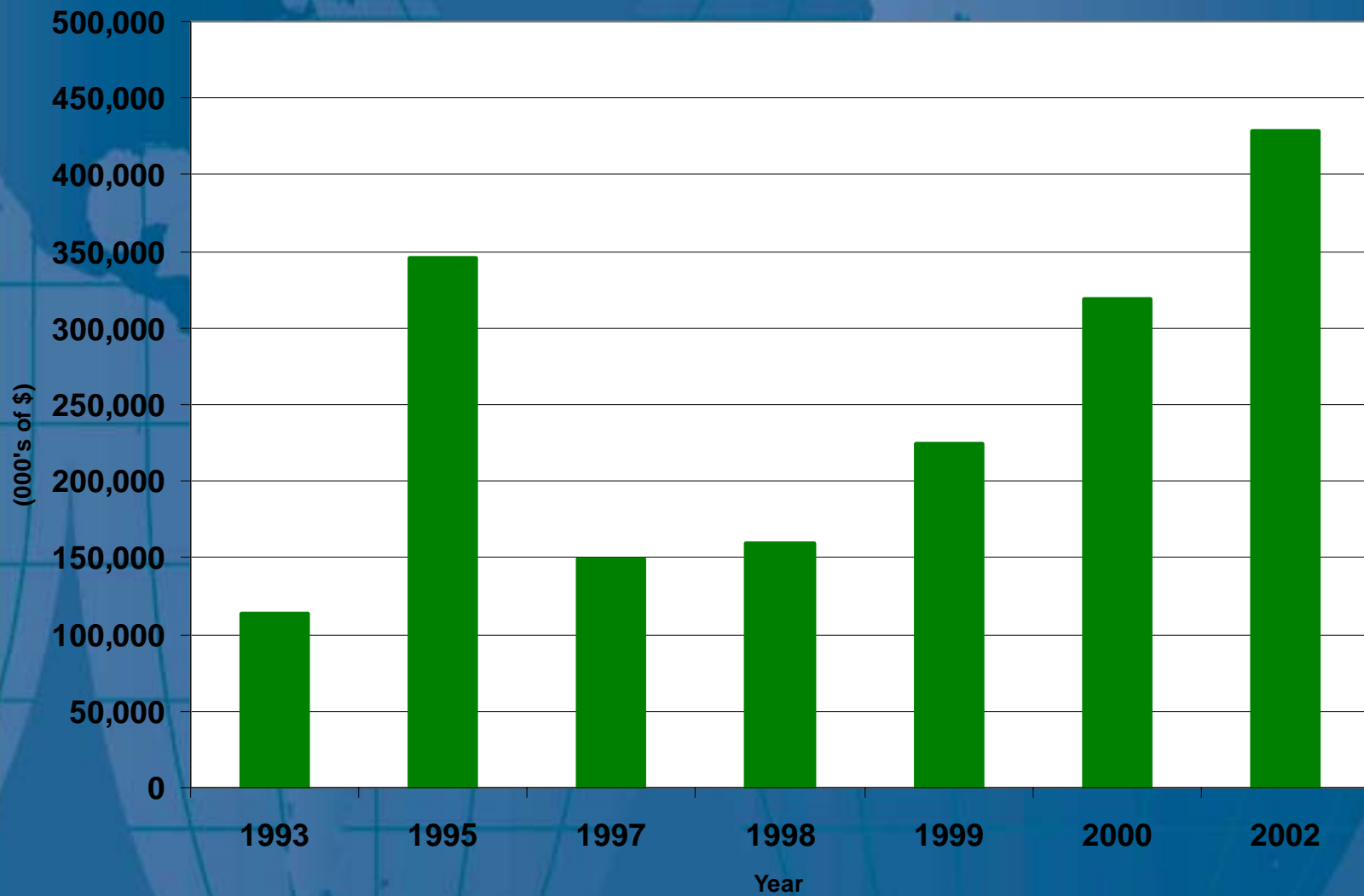


Maine's R&D Competitiveness

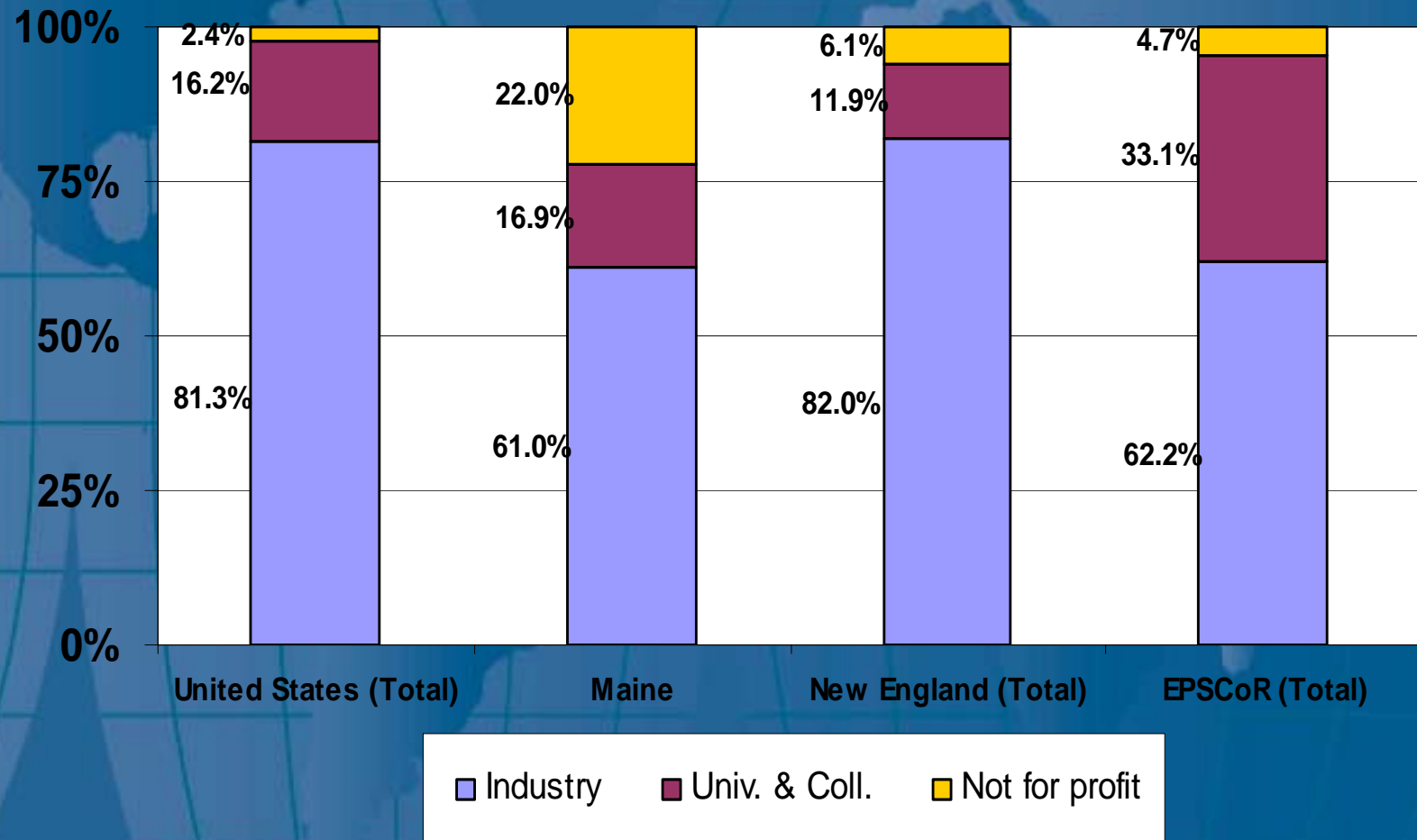
Maine's R&D competitive position improving

- Grew rapidly (169%) from \$159 M in 1999 to \$429 M in 2002
- Faster growth than US (13%) and New England (23%)
- Non profits R&D share exceptionally large
- Industry R&D share small
- Academic R&D share has grown to US average

Total Maine R&D: 93-02



R&D by Performance Sector - 2002

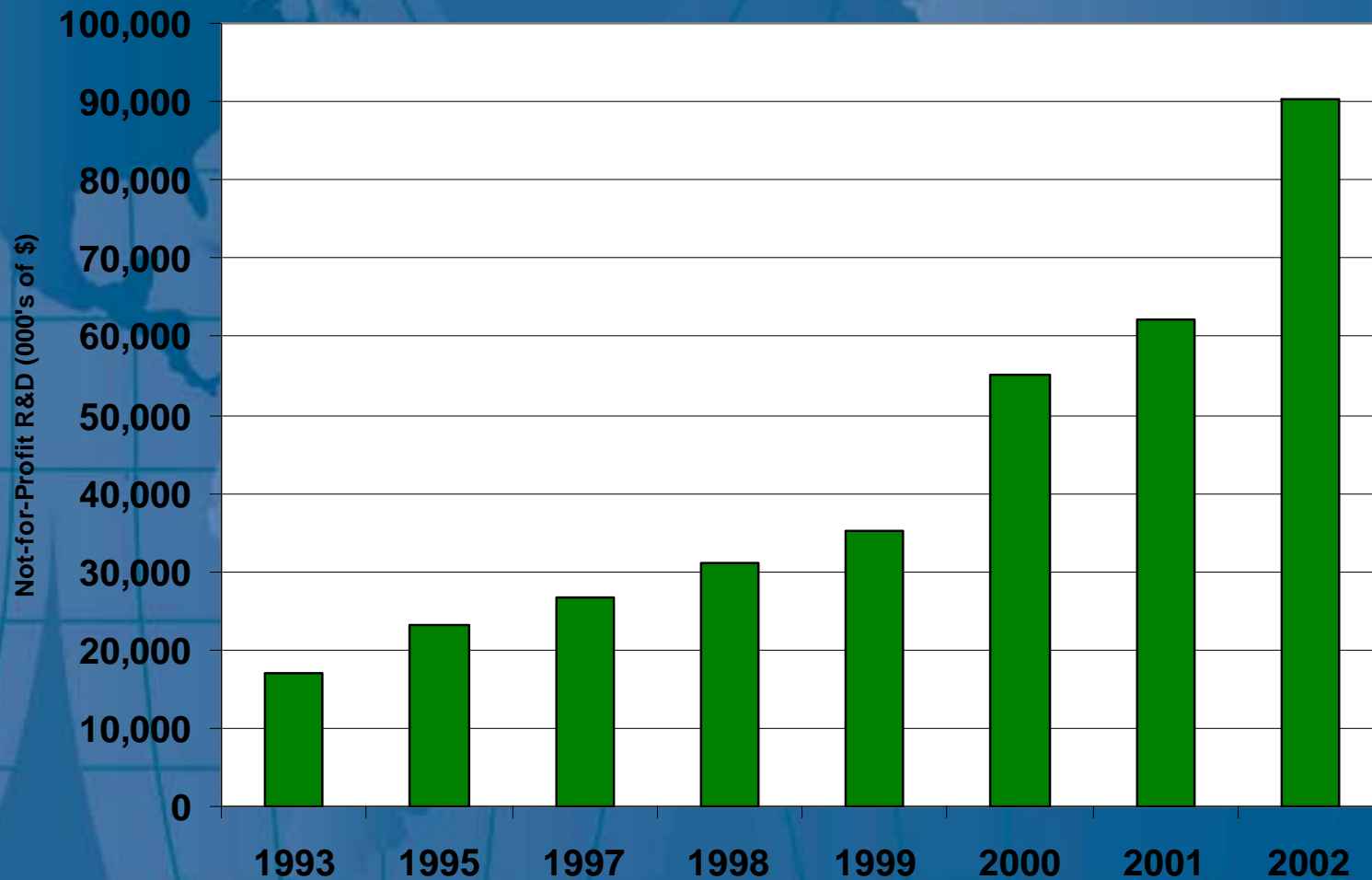


Maine's R&D Competitiveness

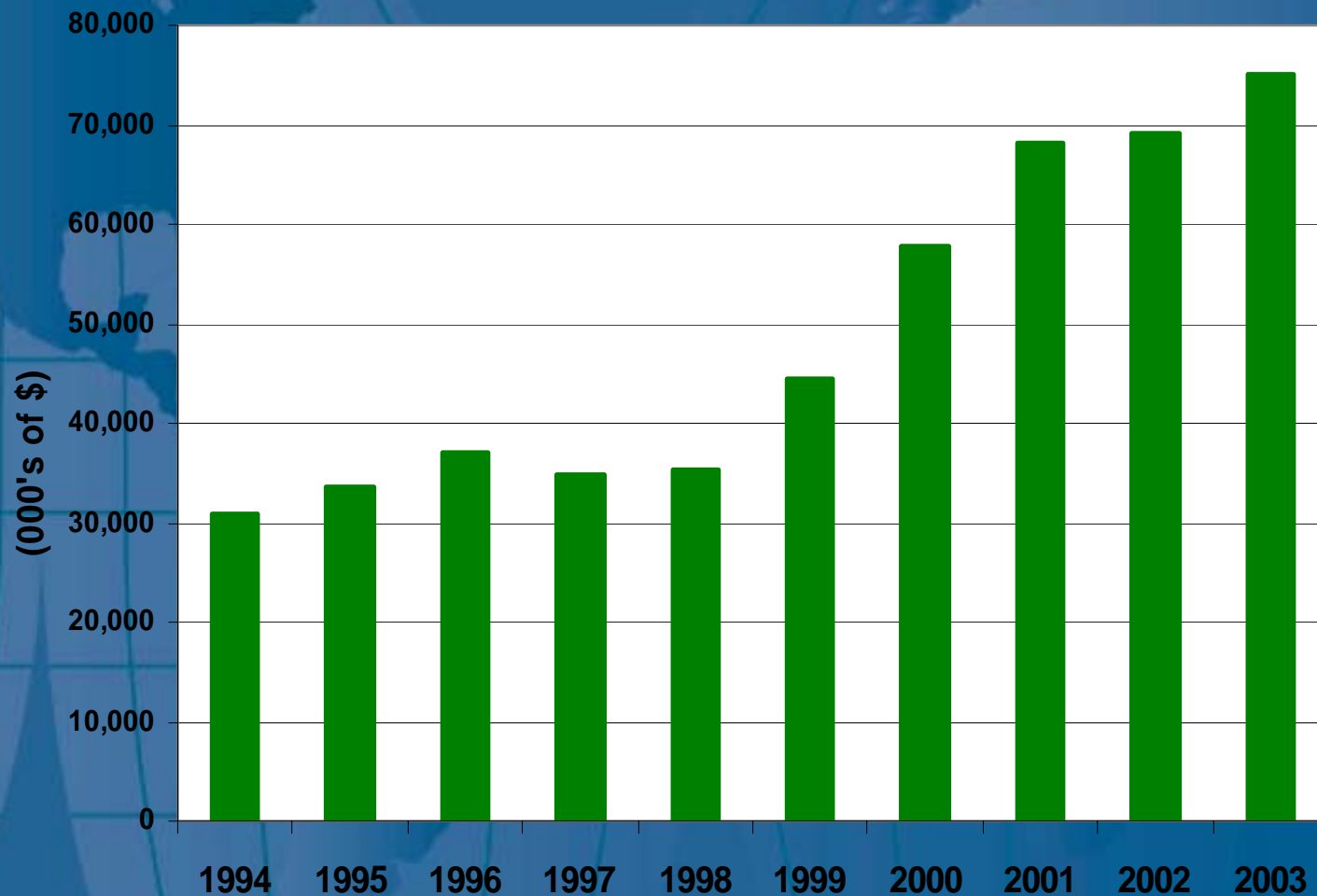
Maine's R&D competitiveness varies widely across performance sectors

- Non profit R&D is strong and getting stronger
- Academic R&D strengthening but still weak
- Industrial R&D weak and fading

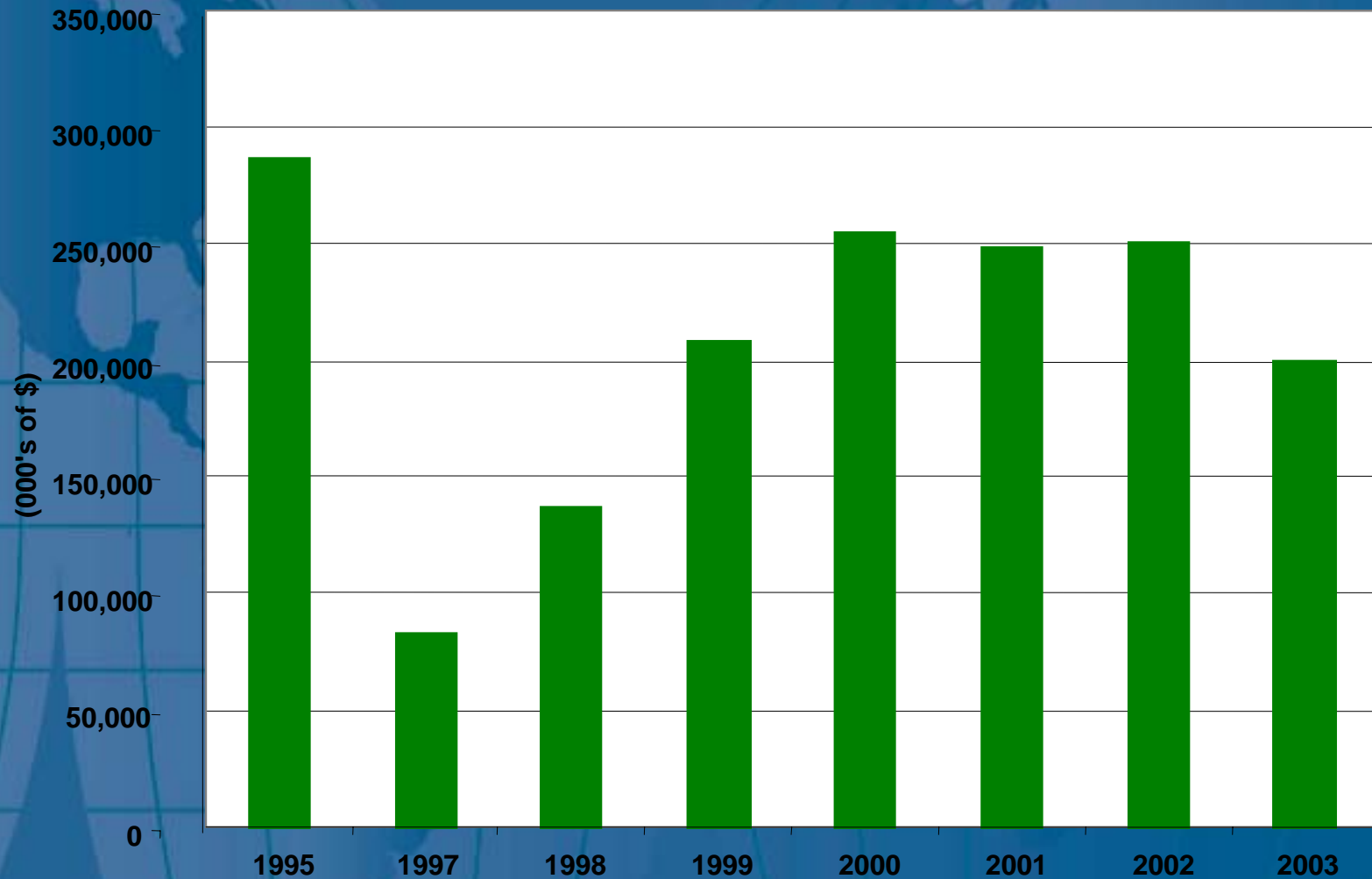
Not-for-Profit R&D Spending in Maine 1993-2002



Academic R&D Spending in Maine- 1994-2003



Industry R&D Spending in Maine- 1995-2003

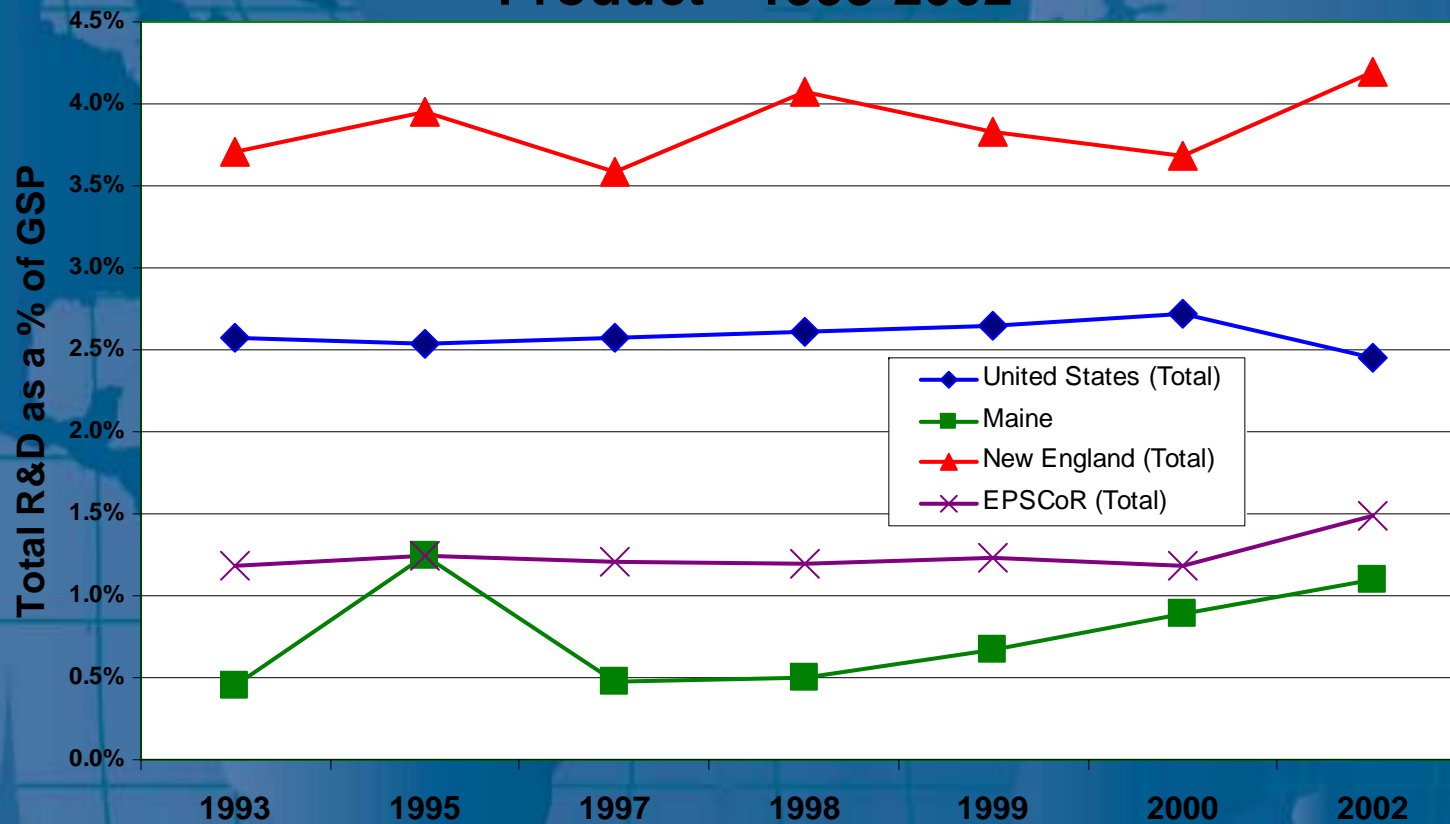


Impact on R&D Industry

R&D investments are building R&D capacity

- Research faculty, R&D space, publications, patents, spin-offs up
- \$492 million in external R&D funds since 2003
- More joint proposals between Maine institutions

Total R&D Spending as a Percent of Gross State Product - 1993-2002



US Rank	R&D as Share of GSP		
Year	1995	1999	2003
Industry	29th	40th	40th
Not for Profits	6th	4th	3rd
Academic	51st	49th	49th

Economic Development Outcomes

Maine's company support program are well established and effective

- Reaching targeted market across Maine
- Highly regarded by client firms

Support of R&D companies yielding tangible economic benefits

- 529 surveyed firms employ 6,000+; payroll >\$300 million

Maine's Challenge Now *Translating R&D into Economic Growth*

Leverage R&D capacity through inter-institutional collaborations

- Non profits more competitive
- Universities more commercialization focused
- Incent collaborations to capture synergies

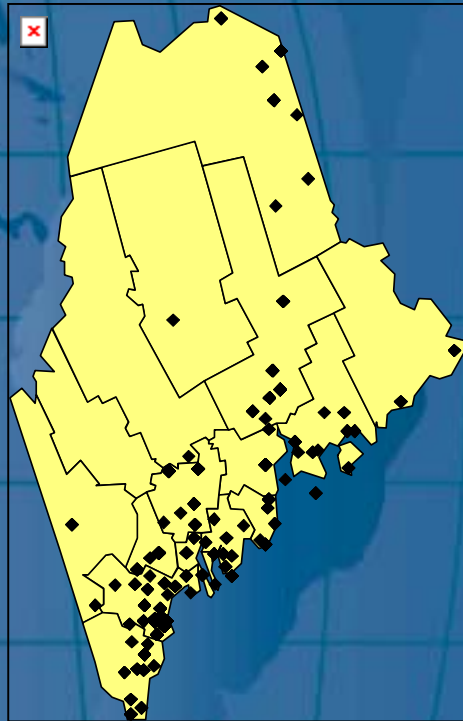
Maine's Challenge Now *Translating R&D into Economic Growth*

Leverage and expand company assistance programs

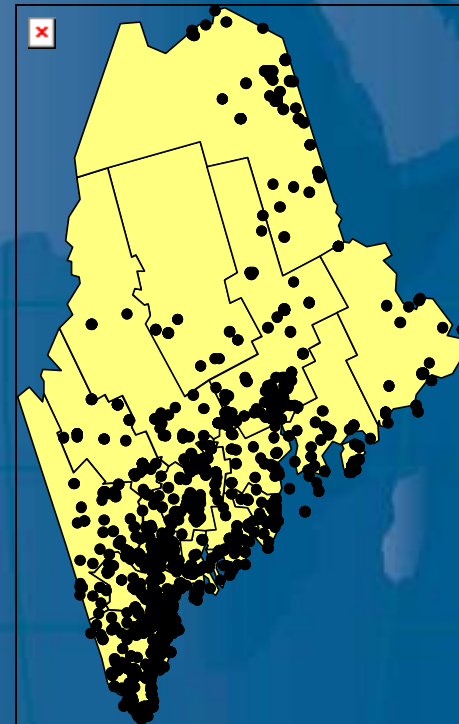
- Weak entrepreneurial economy requires greater action
- Integrate program services for targeted delivery
- Proactive outreach to innovative existing companies

Maine's Challenge Now *Translating R&D into Economic Growth*

430 Program
Companies



2,092 Entrepreneurial Growth
Companies



Maine's Challenge Now *Translating R&D into Economic Growth*

Increase commercialization emphasis

- Funding share has been declining in favor of R&D capacity
- Innovations in the pipeline nearing market
- Current programs effective but insufficient
- Additional program capacity needed
- Address capital market gaps that slow economic growth

Maine's Challenge Now *Translating R&D into Economic Growth*

Track Maine's Gazelles

- Young successful firms positioned for rapid growth with high economic impact
- Innovation usually drives their growth
- 2,092 potential "Gazelles" initially identified across Maine
- Understanding them can guide efforts

Maine's Challenge Now *Translating R&D into Economic Growth*

Establish R&D oversight authority

- Maine tracks R&D performance to improve strategy
- S&T Plan builds on lessons learned
- Most states have established agencies to direct strategies and allocate funds
- Maine will need authority to maintain strategy to maximize economic returns